Appendix 9.7

BART Agreements

BEFORE THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT

IN THE MATTER OF:

Case No.

Kansas City Power and Light Company P. O. Box 418679 Kansas City, MO 64141-9679

Source Identification Number: 1070005

RECEIVED

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AIR AND RADIATION

REGIONAL HAZE AGREEMENT

The parties hereto, the Kansas Department of Health and Environment and Kansas City Power and Light Company, having agreed that entry of this Regional Haze Agreement, hereinafter Agreement, is in the best interest of the parties and the public health and the environment, hereby represent and state as follows:

JURISDICTION

- 1. The Kansas Department of Health and Environment is a duly authorized agency of the State of Kansas created by an act of the legislature.
- 2. The Secretary of the Kansas Department of Health and Environment, hereinafter KDHE, has general jurisdiction over matters involving the environment and the public health and safety of the people of Kansas, K.S.A. 65-101 et seq., including general jurisdiction of matters involving air quality pursuant to the Kansas Air Quality Act, K.S.A. 65-3001 et seq.
- 3. Kansas City Power and Light Company, hereinafter KCP&L, is a Missouri Corporation registered to do business in Kansas in accordance with Kansas laws and is subject to K.S.A. 65-3001 et seq. and the regulations adopted thereunder, and is the legal and rightful owner of the facilities listed in paragraph 19.
- 4. Pursuant to K.S.A. 65-3005, the Secretary has authority and jurisdiction to issue this Agreement and to enforce the same. In any action by KDHE to enforce the terms of this Agreement, KCP&L agrees not to contest the authority or jurisdiction of the Secretary to issue this Agreement.
- 5. The terms of this Agreement shall be construed in accordance with the applicable laws of the state of Kansas and the United States.

STATEMENT OF PURPOSE

6. In entering into this Agreement, it is the mutual objective of KDHE and KCP&L to reduce contributions of emissions by the units listed in paragraph 19 to regional haze; and to establish a schedule by which KCP&L will achieve regulatory compliance and reductions in emissions of air pollutants by making modifications to or installing operating equipment, and/or air pollution control devices. This Agreement establishes enforceable emissions limits pursuant to KDHE's requirement to comply with the regional haze regulations (RHR) identified below in this Agreement which require the installation of Best Available Retrofit Technology (BART) to applicable emission sources. This Agreement is not the result of any

enforcement action or alleged non-compliance with any law, regulation, permit, or order and will enable KCP&L to timely comply with established EPA and KDHE deadlines for compliance with RHR and other unforeseen requirements.

PARTIES BOUND

- 7. This Agreement shall apply to and be binding upon the parties, their agents, successors, and assigns and upon all persons, contractors, and consultants acting under or for either the KDHE or KCP&L or both.
- 8. The parties agree to undertake all actions required of them by the terms and conditions of this Agreement.
- 9. Notwithstanding the terms of any contract, KCP&L is responsible for compliance with this Agreement, and for insuring that its contractors and agents comply with this Agreement.
- 10. The activities conducted under this Agreement are subject to approval by KDHE. KCP&L shall make all reasonable efforts to provide all necessary information consistent with this Agreement requested by KDHE.

LIABILITY

11. Nothing in this Agreement shall be considered an admission of any fact or acknowledgment of any liability by any party, nor shall anything in this Agreement be considered an admission of any fact or acknowledgment of any violation of any law, regulation, permit or order but will enable KCP&L to timely comply with established EPA and KDHE deadlines for compliance with the RHR and other unforeseen requirements. Neither the State of Kansas, nor any agency thereof shall be held out as a party of any contract entered into by KCP&L in carrying out activities pursuant to this Agreement.

FINDINGS OF FACTS

- 12. In 1977, the U.S. Congress adopted §169 of the Clean Air Act (CAA) to protect visibility from impairment in areas of great scenic importance, which were designated as Class I Areas. Visibility impairment is also referred to as regional haze. The CAA specified that emission limitations be developed by the U.S. Environmental Protection Agency (EPA) to include pollutants that emanate from a variety of sources including fossil-fuel fired electric generating power plants having a total generating capacity in excess of 750 megawatts. In 1980, EPA promulgated regulations at 40 FR 80084 to address regional haze that is reasonably attributable to a specific source or a small group of sources. States where Class I sources are located were to determine which existing stationary facilities should install BART to control pollutants which impair visibility. The CAA Amendments of 1990 added §169B with additional requirements for EPA research and rulemaking on regional haze.
- 13. In 1999, EPA issued amendments to 40 CFR Part 51, Subpart P (51.300 309) to further define which facilities were subject to the requirements of the regional haze program and included sources within the State of Kansas. These regulations and subsequent guidance documents require Kansas to achieve goals for improving visibility at Class I Areas. The

goals are to be developed by states where Class I Areas are located and are to be implemented by states from which the pollutants emanate. This requires the development and implementation of long-term strategies for reducing emissions of air pollutants that cause visibility impairment. After a consultative process between the states, tribes, and federal land managers of the Class I Areas, the goals and strategies must be incorporated into a Regional Haze State Implementation Plan (SIP).

- 14. On June 15, 2005, EPA amended the 1999 regional haze regulations and finalized guidelines to:
 - A. identify which BART-eligible facilities would be subject to BART,
 - B. establish presumptive emissions limits to implement BART at coal-fired electrical generating units (EGUs) greater than 750 megawatts,
 - C. determine the level of control technology required to implement BART at each source, and
 - D. require submittal of the Regional Haze SIP no later than December 17, 2007, for approval by the EPA.
- 15. The presumptive emission limits for the La Cygne coal-fired electric generating units established by 40 CFR Part 51, Appendix Y are as follows:
 - A. SO₂ 0.15 lb/mmBtu
 - B. NOx- 0.23 lb/mmBtu (dry-bottom wall-fired)
 - C. NOx- 0.10 lb/mmBtu (cyclone)
- 16. Kansas worked jointly with stakeholders, including KCP&L and other industry members, states, tribes, EPA, and the Central Regional Air Planning Association (CENRAP) to provide for the placement of monitors, develop a shared emission inventory, and conduct visibility modeling to identify strategies to reduce regional haze impacts on Class I Areas.
- 17. In September 2002, KDHE requested information confirming dates of construction and operating information for emission units potentially subject to BART requirements from KCP&L. KCP&L responded appropriately by providing the data requested. KDHE concluded that the following emission units owned and operated by KCP&L were BART-eligible:

La Cygne Units 1 and 2 (1070005)

Unit 1 is a cyclone-fired, wet bottom boiler that uses coal as the primary fuel with a gross generation of approximately 893 megawatts (MW). Operation began in 1973. Unit 1 has wet scrubbers to control sulfur dioxide (SO₂) and particulate matter (PM), and overfire air to control oxides of nitrogen (NO_x). The Class I operating permit for this unit limits the emissions of SO₂ to 3.0 lb/mmBtu. The Acid Rain permit for this unit limits the emission of NO_x to 1.04 lb/mmBtu under an approved NO_x averaging plan under the Acid Rain Program.

Unit 2 is a wall-fired, dry bottom boiler that uses coal as the primary fuel with a gross generation of approximately 685 MW. Operation began in 1977. Unit 2 has dual-register burners to control NOx and an electrostatic precipitator (ESP) to control PM. The Class I operating permit for this unit limits the emissions of SO2 to 0. 80 lb/mmBtu for liquid fossil fuel and 1.2 lb/mmBtu for solid fossil fuel. When different fossil fuels are burned simultaneously, the SO₂ limit is determined by 40 CFR 60.43(b). The emission of NOx is limited to 0.30 lb/mmBtu for liquid fossil fuel and 0.70 lb/mmBtu for solid fossil fuel. When different fossil fuels are burned simultaneously, the NOx limit is determined by 40 CFR 60.44(b).

- 18. On August 3, 2005, KDHE requested the 24-hour 3-year maximum average emissions of SO₂, NO_x, and PM₁₀ from facilities determined to be BART-eligible in order to make an initial determination regarding these facilities becoming "subject to BART." KCP&L responded appropriately by providing the data requested.
- 19. KDHE used the data provided by KCP&L to conduct preliminary dispersion modeling of the BART-eligible units using the CALPUFF software. The modeling indicated that the following BART-eligible units would create a greater than 0.5 deciview impact for at least one day during the three-year period modeled at a Class I Area:

La Cygne Units 1 and 2 (1070005)

- 20. On June 13, 2006, KCP&L was informed by KDHE that the BART-eligible units listed in paragraph 19 are subject to the requirements 40 CFR Part 51, Subpart P and must conduct a BART determination, also known as the statutory factor analysis for BART controls, pursuant to 40 CFR 51.302. Each of these units must either:
 - A. commit to installing emission controls and implementing operating procedures which result in achieving the applicable presumptive limits prescribed by 40 CFR Part 51, Appendix Y, or
 - B. complete a detailed, in-depth modeling effort which results in reconsideration of the "subject to BART" status of the facility by showing that a given unit would not create a greater than 0.5 deciview impact at a Class I Area on more than 2% of the days in a three year period.
- 21. KCP&L elected to conduct refined modeling to evaluate a control strategy that will achieve equal to or greater emission reductions than would be achieved with the application of presumptive emission limits at the units listed in paragraph 19. The control strategy with the emission limits in paragraph 23 will achieve emission reductions greater than would be achieved with the application of presumptive emission limits at the units listed in paragraph 19.

AGREEMENT & COMPLIANCE PLAN

22. The terms of this Agreement constitute an agreement pursuant to K.S.A. 65-3005 to satisfy future regulatory requirements imposed by the RHR and BART requirements. Nothing in this Agreement shall constitute or be construed as a release for any claim or cause of action

- for any New Source Review (NSR) or New Source Performance Standards (NSPS) liability under the Clean Air Act.
- 23. KCP&L and KDHE agree that these emission limits for La Cygne Units 1 and 2 will meet or be less than the presumptive emission limits established by 40 CFR Part 51, Appendix Y, averaged for Units 1 and 2. Unless otherwise specified in this Agreement, within 5 years of EPA's approval of the Kansas Regional Haze State Implementation Plan, KCP&L agrees to install the emissions control and process equipment as expeditiously as possible, as required by 40 CFR 51.308(e)(1)(iv) and in subparagraph E below, and to implement any necessary operating procedures in order to achieve the following:
 - A. Nitrogen Oxides (NO_x): 0.13 lb/mmBTU based on a 30-day rolling weighted average of both Units 1 and 2, excluding periods of startup and shutdown. During an extended outage of La Cygne Unit 2 (duration in excess of 10 weeks), KCP&L will submit a plan for Unit 1 to KDHE to achieve compliance with the presumptive NOx limit of 0.10 lb/mmBTU on a 30-day rolling average excluding periods of startup and shutdown.
 - B. Sulfur Dioxide (SO₂): 0.1 lb/mmBTU on a 30-day rolling average of both Units 1 and 2, excluding periods of startup and shutdown.
 - C. PM₁₀ filterable: 0.015 lbs/mmBTU, based on either an average of 3 one-hour stack tests annually using an approved test method for filterable PM₁₀, or KCP&L will comply with KDHE approved Continuous Assurance Monitoring (CAM) plan for PM₁₀ filterable before baghouses go online for La Cygne Unit 1 and La Cygne Unit 2, at the discretion of KCP&L.
 - D. PM₁₀ total: 0.024 lbs/mmBTU, based on either an average of 3 one-hour stack test annually, using an approved test method for filterable PM₁₀ and Method 202 or an approved test method for condensable PM as modified to remove artifact bias subject to KDHE approval, or KCP&L will comply with the KDHE approved CAM plan for PM₁₀ total before baghouses go online for LaCygne Units 1 and 2, at the discretion of KCP&L.
 - E. Schedule: KCP&L will issue a Request For Proposals (RFP) for equipment needed to achieve the aforesaid emissions limits by December 31, 2008. The RFP will request that construction commence by December 31, 2010. KCP&L will install and operate BART as expeditiously as practical, but in no event later than 5 years after approval of the SIP or June 1, 2015, which ever date occurs first.
- 24. KCP&L agrees to minimize excess emissions of air pollutants during startup, shutdown and malfunction situations by committing to the following actions:
 - A. During startup, pollution control equipment will be activated as soon as practical, within the manufacturer's recommendations or following best engineering practices in the industry;

- B. During shutdown, pollution control equipment will be operated as long as practical, within the manufacturer's recommendations or following best engineering practices in the industry;
- C. Good combustion and operating practices will be utilized to minimize excess air pollutant emissions during all startup, shutdown and malfunction conditions.
- 25. KCP&L agrees to perform compliance verification procedures and recordkeeping requirements in accordance with 40 CFR 51.308(e)(1)(v) and 40 CFR Part 51, Appendix Y.
- 26. The emission limits in this Agreement will be incorporated into any construction or operating permits issued to KCP&L for La Cygne Units 1 and 2.
- 27. This Agreement shall be proposed by the State of Kansas for incorporation into the aforementioned Regional Haze State Implementation Plan.

CONCLUSIONS OF LAW

- 28. KCP&L is a person within the meaning of K.S.A. 65-3002(i).
- 29. K.S.A. 65-3003 provides that the responsibility for air quality conservation and control of air pollution is hereby placed with the Secretary of Health and Environment and that the Secretary shall administer this act through the Division of Environment. K.S.A. 65-3005 provides that the Secretary shall have the power to: (c) issue such orders, permits and approvals as may be necessary to effectuate the purposes of this act and enforce the same by all appropriate administrative and judicial proceedings and (p) enter into contracts and agreements with other state agencies or subdivisions, municipalities, the federal government or its agencies, or private entities as is necessary to accomplish the purposes of the Kansas Air Quality Act. K.S.A. 65-3011 provides that the Secretary may issue an order requiring action to implement a compliance plan.

BEST PROFESSIONAL JUDGMENT

30. The requirements of this Agreement represent the best professional judgment of KDHE at this time based on the available information. If circumstances change significantly so that data related to the commitments of this Agreement indicates an imminent threat of danger to the public health or safety or the environment or a significantly different threat other than the issues addressed herein, then KDHE reserves the right to modify dates or requirements herein as it deems reasonably necessary to comply with the regional haze regulations, provided that KDHE give KCP&L at least 90 days notice and an opportunity to submit a compliance schedule after the notice period. KCP&L further reserves the right to appeal any such modifications or additional requirements, in accordance with paragraph 33.

FORCE MAJEURE, EXCUSABLE DELAY, MODIFICATION

- 31. The following shall constitute the governing terms for force majeure, excusable delay, and modification of the Agreement.
 - A. KCP&L shall perform the requirements under this Agreement within the time limits set forth herein unless the performance is prevented or delayed solely by events which constitute a force majeure. For purposes of this Agreement a force majeure is defined as any event beyond the control of KCP&L which could not be overcome by due diligence and which delays or prevents performance by a date required by this Agreement. Such events do not include increased costs of performance or changed economic circumstances. Any delay caused in whole or in part by action or inaction by municipal, state, or federal regulatory authorities or third parties unrelated to KCP&L shall be considered a force majeure and shall not be deemed a violation of any obligations required by this Agreement.
 - B. KCP&L shall have the burden of proving all claims of force majeure. Failure to comply by reason of force majeure shall not be construed as a violation of this Agreement.
 - C. KCP&L shall notify KDHE in writing within ten (10) days after becoming aware of an event which KCP&L knew, or reasonably should have known, constituted force majeure. Such notice shall estimate the anticipated length of delay, its cause, measures to be taken to minimize the delay, and an estimated timetable for implementation of these measures. Failure to comply with the notice provision of this section may constitute a waiver of KCP&L's right to assert a force majeure claim and may be grounds for KDHE, at its sole discretion, to deny KCP&L an extension of time for performance.
 - D. Within ten (10) days of the receipt of written notice from KCP&L of a force majeure event, KDHE shall notify KCP&L of the extent to which modifications to this Agreement are necessary. In the event that KDHE and KCP&L cannot agree that a force majeure event has occurred, or if there is no agreement on the length of the extension, the dispute shall be resolved as set forth in a paragraph 33.
 - E. Any modifications to any provision of this Agreement shall not alter the schedule for performance or completion of other tasks required by this Agreement, unless specifically agreed to by the parties in writing and incorporated into this Agreement.
 - F. This Agreement may be amended by mutual agreement of KDHE and KCP&L. Such amendments shall be in writing, shall have as their effective date the date on which they are signed by both parties, and shall be incorporated into this Agreement.

DISPUTE RESOLUTION

32. The parties recognize that a dispute may arise between them regarding implementation of the action to be taken as herein set forth or other terms or provisions of this Agreement.

- A. If such dispute arises, the parties will endeavor to settle it by informal negotiations between themselves. If the parties cannot resolve the issue informally within a reasonable period of time, either of the parties may notify the other in writing stating its position with regard to the dispute and the reasons therefore. A party receiving such a notice of dispute will respond in writing within ten (10) days stating its position. KDHE or KCP&L shall then have an additional ten (10) day period or such longer time as the parties agree to respond. If the parties are still unable to reach an agreement, the matter shall be referred to the KDHE Director of Environment, who shall decide the matter and provide a written statement of his decision which shall be incorporated into the Agreement.
- B. This dispute resolution procedure shall not preclude any party from having direct recourse to court if otherwise available under the Kansas Judicial Review Act, K.S.A. 77-601 et. seq. or other applicable law.

OTHER CLAIMS AND PARTIES

33. Nothing in this Agreement shall constitute or be construed as a release for any claim, cause of action or demand in law or equity against any person, firm, partnership, or corporation not a signatory to this Agreement for any liability it may have arising out of or relating in any way to this Agreement.

EFFECTIVE DATE, TERMINATION

- 34. This Agreement shall become effective when signed by the Secretary of the Department of Health and Environment.
- 35. This Agreement will be terminated at such time that it is superseded by a future agreement, regulation, or other enforceable document that contains equivalent or more stringent emission limits. KDHE will provide written notice to KCP&L of said termination. Such notice shall not be unreasonably withheld.

AUTHORIZATION OF SIGNATORIES TO EXECUTE THE AGREEMENT AND BIND THE PARTIES

	r signatures on the dates inserted below to acknowledge. The signatories to this Agreement certify that they are
anthorized to execute and legally bi	nd the parties they represent to this Agreement.
MM & Amy	Stychm J. Easly
Røderick L. Bremby	Stephen T. Easley
Secretary	Senior Vice President-Supply
Kansas Department of Health and Environ	ment Kansas City Power and Light Company
12/05/2007	NOVEMBER, 19,2007
Date	Date

BEFORE THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT

IN THE MATTER OF: Kansas City Power and Light Company P. O. Box 418679 Kansas City, MO 64141-9679 Source Identification Number: 1070005

AMENDMENT TO REGIONAL HAZE AGREEMENT

The parties hereto, the Kansas Department of Health and Environment and Kansas City Power and Light Company, having agreed that entry of this Amendment to Regional Haze Agreement, hereinafter Amendment, is in the best interest of the parties and the public health and the environment, hereby represent and state as follows:

- 1. This is an amendment to the Regional Haze Agreement, hereinafter Agreement, between the Kansas Department of Health and Environment (KDHE) and Kansas City Power and Light Company (KCP&L), in accordance with and pursuant to Paragraph 31.F of the Agreement between the parties signed by KDHE on December 5, 2007.
- 2. Pursuant to K.S.A. 65-3007, KCP&L will have in place monitoring and data collection equipment capable of continuously recording the 30-day rolling average for NO_{x_1} and SO_2 emissions which will verify compliance with the emission limits contained in Paragraph 23 of the Agreement at La Cygne Units 1 and 2. KCP&L will either conduct annual stack tests or comply with the KDHE approved Continuous Assurance Monitoring Plan for PM_{10} emissions which will verify compliance with the emission limits contained in Paragraph 23 of the Agreement at La Cygne Units 1 and 2. Compliance with the emission limits contained in Paragraph 23 of the Agreement and operation of the monitoring and data collection equipment will be required no later than the schedule identified in Paragraph 23.E of the Agreement for installation and operation.
- 3. Pursuant to K.S.A. 65-3007, KCP&L will begin continuously monitoring and maintaining records of NO_x and SO₂ emissions at La Cygne Units 1 and 2 which will verify compliance with the emission limits contained in Paragraph 23 of the Agreement. KCP&L will begin conducting and maintaining records of annual stack tests or other test methods pursuant to the KDHE approved Continuous Assurance Monitoring Plan for PM₁₀, at La Cygne Units 1 and 2 which will verify compliance with the emission limits contained in Paragraph 23 of the Agreement. These records will include the data required pursuant to Paragraph 2 above and 40 CFR Part 75 for Continuous Emission Monitoring. Compliance with the emission limits contained in Paragraph 23 of the Agreement and monitoring the above emissions and maintaining the above records will be required no later than the schedule identified in Paragraph 23.E of the Agreement for installation and operation. Emissions in excess of the emissions limits shall be reported to KDHE in accordance with existing excess emissions reporting requirements for the unit under 40 CFR Parts 60 or 75.
- 4. The terms of the Agreement are subject to the provisions of K.S.A. 65-3011. All other terms and provisions of the existing agreement are affirmed.

AUTHORIZATION OF SIGNATORIES TO EXECUTE THE AGREEMENT AND **BIND THE PARTIES**

The parties hereto have affixed their signatures on the dates inserted below to acknowledge their agreement to this Amendment. The signatories to this Amendment certify that they are authorized to execute and legally bind the parties they represent to this Amendment.

Roderick L. Bremby

Secretary

Kansas Department of Health and Environment

Date

Scott Heidtbrink

Senior Vice President-Supply

Kansas City Power and Light Company

COLLABORATION AGREEMENT

This Agreement is executed this 19th day of March, 2007, by and between the Kansas City Power & Light Company ("KCPL"), the Sierra Club, and the Concerned Citizens of Platte County, Inc. ("CCPC") (collectively, the "Parties"), as set forth below.

Witnesseth

WHEREAS, KCPL owns and operates an electric generating plant known as the Iatan Generating Station located in Platte County, Missouri;

WHEREAS, KCPL applied for a Prevention of Significant Deterioration ("PSD") Permit to Construct to undertake work at the Iatan Generating Station, including work on the existing electrical utility steam generating unit ("Iatan Unit 1") to install new pollution control systems, to set a permit limit on the heat input rate of Iatan Unit 1, and to construct at the Iatan Generating Station a second pulverized coal-fired boiler and associated pollution control equipment ("Iatan Unit 2") (collectively the "Iatan Project");

WHEREAS, the Missouri Department of Natural Resources ("MDNR") issued a PSD Permit to Construct for the Iatan Project on January 31, 2006, Permit No. 012006-019 (the "Iatan PSD Permit");

WHEREAS, on March 2, 2006, the Sierra Club filed a Complaint with the Missouri Air Conservation Commission ("ACC") to appeal from MDNR's issuance of the Iatan PSD Permit in ACC Appeal No. 06-0251, urging, among other things, that the MDNR require more stringent emissions limits for certain emissions from Iatan Units 1 and 2;

WHEREAS, the Parties also have disputes regarding ratemaking proceedings originally filed before the Missouri Public Service Commission ("MPSC") and the Kansas Corporation Commission ("KCC") and now under appeal in the respective jurisdictions;

WHEREAS, on March 1, 2007, KCPL filed a federal declaratory judgment action against the Sierra Club in the United States District Court for the Western District of Missouri;

WHEREAS, KCPL has made an application to construct a combustion by-product landfill to support the on-going operation of the latan units after the installation of the new pollution control facilities, and such application is currently under review by the MDNR;

WHEREAS, KCPL also owns and operates an electric generating plant known as the La Cygne Generating Station located in Linn County, Kansas, consisting of two units ("La Cygne Unit 1" and "La Cygne Unit 2"), and those units are the subject of discussions between KCPL and the Kansas Department of Health and Environment ("KDHE") regarding the emissions limits to be set for those units for certain emissions pursuant to the Best Available Retrofit Technology ("BART") regulations;

WHEREAS, the Parties desire to enter into this Collaboration Agreement ("Agreement") to resolve all of these disputes or potential disputes such that the Iatan Project may move forward

without delay and the ratemaking proceedings may proceed without the Sierra Club's and CCPC's further objections;

WHEREAS, the Parties commit to work collaboratively, in a positive manner, with a goal to achieve a twenty percent reduction by 2020 of the 2006 carbon dioxide emissions levels from KCPL's overall operations;

WHEREAS, KCPL desires to continue to build on its significant investments in energy efficiency, renewable energy, and emissions control;

NOW, THEREFORE, in consideration of the foregoing and of the mutual promises contained in this Agreement and intending to be legally bound, the Parties agree as follows:

Agreements

Section I. Changes to be Incorporated into Iatan PSD Permit.

The Parties agree to proposed changes to the emissions limits for certain emissions set forth in the Iatan PSD Permit, including nitrogen oxides ("NO_x"), sulfur dioxide ("SO₂"), sulfuric acid mist ("SAM"), and opacity. The emissions limits will be incorporated into an administrative amendment to the Iatan PSD Permit as set forth in Exhibit 1 attached to this Agreement and incorporated herein by this reference as if set forth fully herein. KCPL agrees not to seek to increase the limits for emissions of NO_x, SO₂, SAM, stack particulate matter, and opacity from the Iatan Generating Station set forth in Exhibit 1 while this Agreement is in effect.

Section II. Emissions Limits to be Included in Proposed Consent Agreement Between KDHE and KCPL For the La Cygne Generating Station.

No later than December 31, 2007, KCPL will submit to KDHE proposed Unit 1 and Unit 2 average limits for certain emissions emitted at the La Cygne Generating Station at limits lower than KCPL asserts would otherwise be required by presumptive BART limits, including emissions limits for NO_x, SO₂, filterable Particulate Matter less than 10 microns in size ("filterable PM₁₀") and total Particulate Matter less than 10 microns in size ("total PM₁₀") to become effective when compliance with BART regulations is first required. KCPL agrees to support the inclusion of these limits in the Kansas State Implementation Plan. KCPL agrees to use its best efforts to install pollution control technologies that would allow KCPL to reduce its emissions of NO_x, SO₂, filterable PM₁₀, and total PM₁₀ from La Cygne Units 1 and 2 prior to the date that its compliance with the BART regulations is required and at the latest by June 1, 2015. KCPL agrees to issue the request(s) for proposals (RFP) for pollution control technologies to be installed at the La Cygne Generating Station pursuant to this Agreement on or before December 31, 2008, and agrees that the RFP(s) will request that construction commence on or before December 31, 2010. The emissions limits that KCPL agrees to seek in the proposed consent agreement are set forth in Exhibit 2 attached to this Agreement and incorporated herein by this reference as if set forth fully herein.

Section III. Collaboration on Carbon Dioxide Offsets, Energy Efficiency and Community Investment.

KCPL will seek regulatory approval from the MPSC and/or the KCC, to the extent necessary, to undertake Renewable Energy, Energy Efficiency, and other projects that the Parties have estimated will offset the annual carbon dioxide ("CO₂") emissions generated from KCPL's Iatan Unit 2 of 6,012,645 tons as set forth in Exhibit 3, the "Settlement Sheet CO₂ Calculations" which is attached to and incorporated by this reference in this Agreement as if set forth fully herein. The Parties' particular agreements regarding CO₂ emissions are set forth below:

- a. Renewable Energy. To the extent KCPL obtains the regulatory approval(s) that it will seek from the MPSC and/or the KCC, KCPL hereby commits to add 100 additional megawatts (MW) capacity of wind-generated electric power by December 31, 2010 and to add 300 additional MW capacity of wind-generated electric power by December 31, 2012. The Sierra Club and CCPC agree that they will support regulatory approval of these projects but to the extent that such projects involve components beyond wind-generated electric power, each of them reserves their right to object to such other components. KCPL further agrees to exert its best efforts to add the total 400 MW capacity of wind-generated electric power in the earliest reasonable timeframe, including filing requests for approval in such a manner that the regulatory agency will have adequate time to make informed decisions on such requests;
- b. Energy Efficiency. To the extent that KCPL obtains the regulatory approval(s) and appropriate ratemaking treatment(s) that it will seek from the MPSC and/or the KCC, KCPL hereby commits to undertake by December 31, 2010 additional Energy Efficiency projects designed to reduce annual electricity demand by an additional 100 MW, and to undertake additional Energy Efficiency projects designed to reduce annual electricity demand by an additional 200 MW by December 31, 2012 for a total of 300 MW demand reductions. KCPL further agrees to exert its best efforts to add the total 300 MW of energy efficiency in the earliest reasonable timeframe, including filing its requests for approval in such a manner that the regulatory agency will have adequate time to make informed decisions on such requests;
- c. Additional Carbon Dioxide Offsets. In addition, KCPL will undertake projects that would offset CO₂ emissions generated from KCPL's Iatan Unit 2 by an additional 711,159 tons annually (as calculated in Exhibit 3) by December 31, 2012. The Parties hereby agree that the offsets required by this subparagraph c must be achieved by the following projects, by other projects that are mutually agreed upon by the Parties, or by a combination thereof:
 - 1. Additional Renewable Energy or Energy Efficiency projects; or
- 2. KCPL's closing, de-rating, or re-powering of, or efficiency improvements at any of its electric generating units. For purposes of calculating the CO₂ offsets that would be achieved from such projects under this subparagraph c, the Parties hereby agree that such offsets will be calculated based upon any such unit's historical use during the most recent representative three years;
 - d. Net Metering Tariff, Montrose Study, and Legislative Collaboration.

- 1. KCPL agrees to consult with Sierra Club and CCPC in developing a net metering tariff. KCPL agrees to file the net metering tariff in Missouri and Kansas within 6 months after this Agreement is executed by the Parties. This Agreement does not constrain Sierra Club and/or CCPC from intervening in any administrative proceeding related to net metering;
- 2. KCPL agrees to conduct a study of KCPL's Montrose Generating Station ("Montrose Study") with Sierra Club and CCPC participation to assess potential future use, including without limitation, retiring, re-powering, and upgrading the units. KCPL will host at least two meetings to solicit Sierra Club and CCPC participation, including as part of the scoping for this study and when a draft report is prepared. KCPL agrees to conclude the Montrose Study within one year after this Agreement is executed by the Parties;
- 3. KCPL, the Sierra Club, and CCPC agree to collaborate on legislation and/or regulatory initiatives in both Kansas and Missouri to encourage the reduction of emissions, including carbon dioxide, through, among other things, energy efficiency building standards, appliance standards, and other incentives for energy efficiency investments by utilities;
- e. <u>Community Investment.</u> KCPL agrees to grant \$180,000 to implement the recommendations of the Kansas City, Missouri Climate Protection Plan administered by the City of Kansas City, Missouri regarding projects in the Kansas City area that employ energy efficiency, renewables, emission control technology, or carbon reduction technology. The projects to be funded by this grant are separate from those required to be undertaken by subsections a, b, and c of this Section. In addition, KCPL agrees to grant \$60,000 to support ozone and PM monitoring within the greater Kansas City region, to be administered by the Mid-America Regional Council; agrees to grant \$100,000 for City of Weston drinking water infrastructure upgrades, payable within 10 days from the date the last dismissal required in Section IV of this Agreement becomes effective, to the City of Weston, Attn: Mayor Howard Hellebuyck, City Hall, 300 Main, Weston, MO 64098; and agrees to fund a new left turn lane at Highway 45 and Iatan Road.

Section IV. <u>Dismissals and Releases of Legal Actions or Claims.</u>

- a. Within ten (10) days of execution of this Agreement by all Parties, the Sierra Club, KCPL and MDNR will file a Joint Stipulation of Dismissal with Prejudice that dismisses the Sierra Club's appeal of the Iatan PSD Permit with prejudice in substantially the form set forth in Exhibit 4 and attached to this Agreement and incorporated herein by this reference as if set forth fully herein. The Sierra Club and the CCPC hereby release any objections or claims they may have regarding any of the emissions limits for the Iatan Generating Station as of the date of this Agreement. The Sierra Club and CCPC further agree they will not file any opposition to any amendments to the Iatan PSD Permit pertaining to the current modification of Iatan Unit 1 and construction of Iatan Unit 2, specifically including the changes proposed in the September 11, 2006 letter from Paul Ling of KCPL to James Kavanaugh of MDNR, a copy of which is attached hereto as Exhibit 5, and any changes not resulting in any increase in any pollutant emissions above the Iatan PSD Permit emissions limits, as modified pursuant to this Agreement;
- b. Sierra Club will dismiss with prejudice its appeal from the judgment in <u>In the Matter of the Future Supply</u>, Delivery and Pricing of the Electric Service Provided by Kansas City Power/Sierra Club v. Kansas Corporation Comm'n and Kansas City Power & Light Company,

4 WA 895635.2

District Court of Shawnee County, KS, Case No.: 05C1348, on appeal as Sierra Club v. The Kansas Corporation Comm'n, Kan. Ct. App. No. 06-96738-A (filed June 14, 2006) within ten (10) days of execution of this Agreement by all Parties;

- c. KCPL, the Sierra Club, and the CCPC hereby agree that they will file a joint motion for remand of the appeal in State ex rel., Sierra Club v. Missouri Public Service Com'n, Missouri Court of Appeals Appeal No. WD 66893 without seeking further appellate review and that if the Parties' joint motion for remand is granted, the Sierra Club and the CCPC further agree that they will not oppose MPSC approval of the plan originally approved in MPSC Case Number EO-2005-0329 within twenty (20) days of execution of this Agreement by all Parties (the plan will be re-filed with an appropriate pleading). If the joint motion for remand is denied, the Sierra Club and CCPC agree to seek dismissal of the appeal and agree that they will not, in any subsequent case, file any opposition to MPSC approval of the plan originally approved in MPSC Case Number EO-2005-0329;
- d. KCPL hereby agrees to dismiss with prejudice its complaint in Kansas City Power & Light Company v. Sierra Club, United States District Court for the Western District of Missouri Case No.: 07-0159-CV-W-GAF (filed March 1, 2007) within ten (10) days of execution of this Agreement by all Parties;
- e. The Sierra Club and CCPC hereby agree to release forever each and every claim that they or either of them have asserted or could have asserted as of the date of the execution of this Agreement in the actions or appeals referenced in this Agreement or arising from KCPL's operation of the Iatan Generating Station or the La Cygne Generating Station. This release is intended to be construed as broadly as legally permissible and expressly includes, without limitation, the release of any and all claims or allegations that the Sierra Club and/or CCPC have asserted or could have asserted as of the date of the execution of this Agreement alleging that KCPL violated any provision of the Clean Air Act, or any of the state regulations implementing any provision of the Clean Air Act, by any action that KCPL has allegedly taken or has allegedly failed to undertake. This release also includes, without limitation, the release of any claims the Sierra Club or CCPC may have regarding any emissions limits at the La Cygne Generating Station, including any limits that would be set by application of BART regulations and associated permitting. Except as set forth above, this release does not extend to claims that may first arise after the date of the execution of this Agreement pertaining to KCPL's operation of the Iatan Generation Station or the La Cygne Generating Station or any future permits applied for by or issued to KCPL regarding such facilities;
- f. Without waiving any future claims relating to any additional generating units that KCPL may propose in the future, the Sierra Club and CCPC agree not to file any legal challenge to the Certificate of Convenience and Necessity ("CCN") issued by the MPSC on November 14, 1973 in Case No. 17,895 that KCPL asserts approved, inter alia, Iatan Units 1 and 2 (but Sierra Club expressly reserves its right to claim that the CCN does not authorize additional generating units

5

WA 895635.2

¹ Section IV(e)'s reference to "any provision of the Clean Air Act, or any of the state regulations implementing any provision of the Clean Air Act" is intended to include and does include, without limitation, the PSD program, the New Source Review ("NSR") program, and New Source Performance Standards ("NSPS") and all potentially applicable state regulations that implement any provision of the Clean Air Act.

beyond Iatan Units 1 and 2); or the permits previously issued for the Iatan Project, including, without limitation, the permit issued to KCPL by the US Army Corps of Engineers on June 15, 2006 pursuant to Section 10 of the Rivers and Harbors Act of 1899, the permit issued to KCPL by the US Army Corps of Engineers on June 15, 2006 pursuant to Section 404 of the Clean Water Act, and the permit issued to KCPL by MDNR on March 8, 2006 pursuant to Section 401 of the Clean Water Act; or the Environmental Assessment (EA) and the associated Finding of No Significant Impact (FONSI) issued by the US Army Corps of Engineers on June 12, 2006; or documents or determinations referenced in these permits or EA and FONSI;

g. The Parties commit to work collaboratively in good faith to address and resolve any issues concerning the Utility Waste Landfill Construction Permit Application for KCPL, MDNR Job No. NJ06GPLF, Iatan Generation Station, Platte County, Missouri received as a complete application August 7, 2006.

Section V. Interrelationship with Experimental Regulatory Plan.

The Parties agree that the commitments contained in this Agreement are not intended to change or modify the terms of the Experimental Regulatory Plan originally approved by the MPSC in Case No. EO-2005-0329 and approved by the KCC in Docket No. 04-KCPE-1025-GIE. The Experimental Regulatory Plan, for the most part, expires on June 1, 2010.

Section VI. Miscellaneous.

- a. <u>Reports.</u> Annually, within thirty (30) days of the anniversary of the execution of this Agreement by all Parties, KCPL will provide to the other parties a report on the progress made to date in implementing the terms of this Agreement;
- b. <u>Destruction of Confidential Information</u>. The Parties hereby agree that for purposes of the obligations in paragraph 10 of the Protective Order entered in ACC Appeal No. 06-0251 by the Administrative Hearing Commission on August 4, 2006 (the "Protective Order"), the date of "the final determination of the present appeal" shall be deemed to be the same date the last of these Parties executes this Agreement so that the Sierra Club and the persons to whom it provided access to confidential information shall have 60 days from that date to return or destroy confidential information as provided in that Protective Order, and KCPL shall have 60 days from that date to return or destroy all copies of Dr. J. Phyllis Fox's "personal library" which is the subject of an agreed addendum to that Protective Order. The Parties further expressly agree that all transcripts of depositions taken in ACC Appeal No. 06-0251, and all exhibits introduced therein, shall be deemed to include "Confidential Information" within the meaning of the Protective Order, notwithstanding the provisions for so designating such materials in paragraph 8 of the Protective Order, so that the obligations in paragraph 10 shall apply to all such transcripts and exhibits;
- c. <u>Technical Costs.</u> KCPL agrees to pay \$86,000 to the Sierra Club and CCPC for technical analysis;
- d. <u>Remedies.</u> The Parties agree that in no instance will any Party or individual be responsible or liable for monetary damages as a result of any alleged breach or breach of this Agreement. The Parties acknowledge and agree that damages are not available as a remedy in the

event the obligations of this Agreement are breached. The Parties agree that damages would not be an adequate remedy for noncompliance with this Agreement, and that no adequate remedy at law exists for noncompliance with the terms of this Agreement. Accordingly, the Parties expressly agree that an award of equitable relief would be an appropriate remedy for a breach of the obligations under this Agreement, provided the reviewing court has followed standard procedures for issuing injunctive relief. The Parties also agree that should they commence any legal action to enforce this Agreement that they will not seek any remedies except specific performance;

- e. <u>No Relationship</u>. This Agreement does not create any legal relationship between or among the Parties. Thus, each Party is responsible only for its own actions and this Agreement is not intended to and does not in any manner create rights, duties, liabilities, or legal consequences for the Parties except as expressly provided herein. No joint venture, agency, partnership, or other fiduciary relationship will be deemed to exist or arise between or among the Parties as a result of this Agreement;
- f. <u>Force Majeure</u>. Neither Party will be deemed to have breached this Agreement or trigger a right to terminate this Agreement for any delay or default in performing hereunder if such delay or default is caused by conditions beyond its control including, but not limited to, natural disasters, wars, insurrections, and/or any other cause beyond the reasonable control of the Party whose performance is affected;
- g. <u>Notice</u>. Unless otherwise provided herein, whenever notifications, submissions, or communications are required by this Agreement, they will be made in writing and addressed as follows:

7

Bruce Nilles
Sierra Club Midwest Clean Energy Campaign
122 W. Washington Avenue, Suite 830
Madison, WI 53703
bruce.nilles@sierraclub.org

Yvonne Cather, Chapter Chair Sierra Club – Kansas Chapter 2935 S. Seneca Wichita, KS 67217-2863 yvonne@cathergriffithlaw.com

Melissa Hope Sierra Club – Missouri Chapter 7164 Manchester Avenue Maplewood, MO 63143 melissa.hope@sierraclub.org Susan K. Brown, Chairperson
Concerned Citizens of Platte County, Inc.
14 Mill Street
Dearborn, MO 64439
s.brown@netzero.net

Paul M. Ling
Environmental Manager
Kansas City Power & Light Company
1201 Walnut
Kansas City, MO 64106
paul.ling@kcpl.com

with a copy to

Michael D. Hockley Spencer Fane Britt & Browne LLP 1000 Walnut, Suite 1400 Kansas City, MO 64106 mhockley@spencerfane.com

All notifications, communications or submissions made pursuant to this Agreement will be sent in electronic (pdf) format unless the size or other characteristics of the materials requires the submission of a hard copy. If hard copies are submitted, they will be submitted by (a) two-day overnight, certified or registered mail that will be deemed submitted on the date they are postmarked, or (b) sent by overnight delivery service that will be deemed submitted on the date they are delivered to the delivery service. All notifications, communications, and submissions made by electronic means will be deemed submitted on the date that the transmitting Party receives written acknowledgment of receipt of such transmission.

- h. <u>Term</u>. The provisions of this Agreement will expire December 31, 2015. If either the Sierra Club or CCPC is, at that time, challenging KCPL's failure to comply with one or more of the terms of this Agreement, those terms and any related terms shall not expire at that time.
- i. <u>Termination</u>. This Agreement may be terminated at any time upon mutual written agreement of the Parties.
- j. <u>Modification</u>. This Agreement may be amended or modified in writing by mutual agreement of the Parties.
- k. <u>Choice of Law</u>. This Agreement will be construed and governed in all respects by the laws of the State of Missouri, without regard to the principles of conflicts of law. Any dispute arising over the terms and conditions contained herein will be resolved in a court of competent jurisdiction located in Jackson County, Missouri.
- l. <u>Dispute Resolution</u>. Prior to commencing any legal action to enforce this Agreement the Parties agree to: (a) notify the allegedly offending Party in writing, and (b) wait at

least thirty days (30) and during that period undertake all reasonable efforts to resolve the matter short of litigation.

- m. <u>Successors Bound</u>. This Agreement will be binding upon the successors and assigns of KCPL, upon the successors and assigns of the Sierra Club, and upon the successors and assigns of the CCPC.
- n. <u>Authority</u>. Each of the signatories to this Agreement affirms that he or she is authorized to enter into the terms and conditions of this Agreement. Each party hereto may validly execute this document by facsimile signature or in counterparts, each of which will constitute an original and all of which constitute one and the same Agreement.

IN WITNESS WHEREOF, this Agreement has been executed by Kansas City Power & Light Company, the Sierra Club, and the Concerned Citizens of Platte County and is effective as of March ____, 2007.

AGREED ON BEHALF OF KANSAS CITY POWER & LIGHT COMPANY BY:	AGREED ON BEHALF OF SIERRA CLUB BY:
Name:	Name:
Title:	Title:
Date:	Date:
AGREED ON BEHALF OF CONCERNED CITIZENS OF PLATTE COUNTY BY:	Name: Title:
	Date:
Name: Susan K. Brown	
Title: Chairperson	
Date:	

Exhibit 1 Iatan Generating Station Modified Permit Limits

A. Iatan Unit 1 – Modified Permit Limits

The Parties agree that the sections of the Iatan PSD Permit set forth below will be replaced with the following language:

- 2.E.1. Nitrogen Oxides (NO_x) 0.09 lbs/mmBTU, based on a 30 day rolling average.
- 2.E.2. Sulfur Dioxide (SO₂) 0.07 lbs/mmBTU, based on a 30 day rolling average.
- 2.E.8. Opacity 15% (6-minute average) excluding periods of start-up and shutdown, except for one 6-minute period per hour of not more than 27 percent.
- 2.E.12. Sulfuric Acid Mist (H₂SO₄) KCPL shall submit a BACT analysis for sulfuric acid mist. Such analysis will include a proposed BACT limit no higher than 5.5x10E-3 lbs/mmBTU. The MDNR will conduct a BACT analysis and determine the final emissions limit.²

B. Iatan Unit 2 - Modified Permit Limits

The Parties agree that the sections of the Iatan PSD Permit set forth below will be replaced with the following language:

- 3.E.1. Nitrogen Oxides $(NO_x) 0.07$ lbs/mmBTU, based on a 30 day rolling average.
- 3.E.2. Sulfur Dioxide (SO₂) 0.06 lbs/mmBTU, based on a 30 day rolling average.
- 3.E.8. Opacity 15% (6-minute average) excluding periods of start-up and shutdown, except for one 6-minute period per hour of not more than 27 percent.
- 3.E.12. Sulfuric Acid Mist (H₂SO₄) KCPL shall submit a BACT analysis for sulfuric acid mist. Such analysis will include a proposed BACT limit no higher than 5.5x10E-3 lbs/mmBTU. The MDNR will conduct a BACT analysis and determine the final emissions limit.²
- 22. Delete.

² Sierra Club and CCPC agree not to challenge MDNR's BACT determination for sulfuric acid mist, provided it is no higher than 5.5x10E-3 lbs/mmBTU.

Exhibit 2 La Cygne Unit 1 and La Cygne Unit 2 Proposed Emission Limits

La Cygne Unit 1 and La Cygne Unit 2 A.

KCPL shall submit to KDHE a proposed consent agreement between KCPL and the Kansas Department of Health and Environment ("KDHE") that will include an averaged emission limit for La Cygne Unit 1 and La Cygne Unit 2 to become effective when compliance with BART regulations is first required (but in no event later than June 1, 2015) and that does not exceed the following emissions limits for the emissions listed below:

Nitrogen Oxides (NO_x)

0.13 lbs/mmBTU, based on 30-day rolling average, excluding periods

of start up and shut-down.

Sulfur Dioxide (SO₂) 0.1 lbs/mmBTU, based on 30-day rolling average, excluding periods

of start up and shut-down.

PM₁₀ filterable 0.015 lbs/mmBTU, based on either an average of 3 one-hour stack

> tests annually, or KCPL will comply with KDHE approved Continuous Assurance Monitoring ("CAM") plan for PM₁₀ filterable before baghouses go online for La Cygne Unit 1 and La Cygne Unit

2, at the discretion of KCPL.

PM₁₀ total 0.024 lbs/mmBTU, based on either an average of 3 one-hour stack

tests annually, using Test Method 202 as modified to remove artifact bias subject to KDHE approval, or KCPL will comply with KDHE approved CAM plan for PM₁₀ total before baghouses go online for La

Cygne Unit 1 and La Cygne Unit 2, at the discretion of KCPL.

Exhibit 3 SETTLEMENT SHEET CO₂ CALCULATIONS

CO₂ Offsets

				Coal Fleet		
			Annual	Average		CO_2
•		Capacity	Operating	(lb/MW-	lb/ton	Offset
Description	MW	Factor	Hours	hour)	conversion	(tons)
Spearville Wind	100.5	0.35	8760	2200	2000	338,946
Additional Wind	400	0.35	8760	2200	2000	1,349,040
Existing Energy Efficiency	75	1	8760	2200	2000	722,700
Additional Energy Efficiency	300	1	8760	2200	2000	2,890,800
Additional CO ₂ Reduction				·		711,159
Total						6,012,645

${\bf CO_2}$ Generation

		Conscitu	Annual	Supercritical Boiler Average	lh/ton	CO ₂
Description	MW	Capacity Factor	Operating Hours	(lb/MW- hour)	lb/ton conversion	Generated (tons)
Iatan Ûnit 2	850	0.85	8760	1900	2000	6,012,645

Exhibit 4

BEFORE THE MISSOURI AIR CONSERVATION COMMISSION and MISSOURI ADMINISTRATIVE HEARING COMMISSION

In Re: PSD Construction Permit Issued to Great Plains Energy

Project No. 2005-05-062	.
Permit No. 012006-019	
Kansas City Power & Light Company - Iatan G	enerating Station
SIERRA CLUB,)
)
Petitioner,)
)
v.) ACC Appeal No. 06-0251
BATCOATTINE INTERNAL BOOK ATTAIN ATTAIN ATTAIN)
MISSOURI DEPARTMENT OF NATURAL RESOURCES,)
)
Respondent,)
KANSAS CITY POWER & LIGHT COMPANY,)
)
Intervenor.)

STIPULATION OF DISMISSAL

Petitioner Sierra Club, by and through its attorneys, Respondent Missouri Department of Natural Resources ("MDNR"), by and through its attorneys, and Intervenor Kansas City Power & Light Company ("KCPL"), by and through its attorneys, hereby enter into the following Stipulation:

1. On March 2, 2006, Petitioner filed a Complaint before the Missouri Air Conservation Commission and Missouri Administrative Hearing Commission ("AHC"). The Complaint alleged nine counts challenging aspects of the decision of respondent MDNR to issue PSD Construction Permit No. 012006-019 to intervenor KCPL with respect to KCPL's Iatan Generating Station ("the Permit").

- 2. On February 19, 2007, petitioner filed a Notice of Dismissal of Count III of the Complaint.
- 3. On February 27, 2007 and March 1, 2007, all parties jointly filed Stipulations of Dismissal of Counts I, II, and IV of the Complaint.
- 4. On or about March 19, 2007, Sierra Club and KCPL entered into a Collaboration Agreement resolving their current disputes concerning the Iatan Generating Station. In the Collaboration Agreement, Sierra Club and KCPL agreed that the Permit limits for certain pollutants should be reduced, as set forth in Exhibit 1 attached hereto.
- 5. MDNR agrees to revise the Permit to incorporate the lower emissions limits indicated in Exhibit 1 attached hereto.
- 6. Accordingly, Sierra Club dismisses its Complaint, with prejudice, effective the date on which MDNR issues a revised Permit incorporating the emissions limits indicated on Exhibit 1 attached hereto. MDNR will send the revised Permit to Sierra Club and KCPL, and Sierra Club will notify the Administrative Hearing Commission of the effective date of this Stipulation of Dismissal.
- 7. Each undersigned representative of Petitioner, Respondent, and Intervenor certifies that she or he is authorized to enter into this Stipulation and to execute and legally bind such parties to this document.

Date

ENTERED INTO THIS ____ DAY OF MARCH, 2007.

Maxine Lipeles
Director, Interdisciplinary Environmental Clinic
Washington University in St. Louis
Campus Box 1120
One Brookings Drive
St. Louis, MO 63130-4899

ATTORNEY FOR PETITIONER SIERRA CLUB

Shelley A. Woods Assistant Attorney General Missouri Attorney General's Office P.O. Box 899 Jefferson City, MO 65102 Date

ATTORNEY FOR RESPONDENT MISSOURI DEPARTMENT OF NATURAL RESOURCES

Michael D. Hockley Barry L. Pickens Bryant T. Lamer Sara S. Hertz 1000 Walnut St., Suite 1400 Kansas City, MO 64106 Date

ATTORNEYS FOR INTERVENOR KANSAS CITY POWER & LIGHT COMPANY

A. Iatan Unit 1 - Modified Permit Limits.

The Parties agree that the sections of the Iatan PSD Permit set forth below will be replaced with the following language:

- 2.E.1. Nitrogen Oxides (NOx) 0.09 lbs/mmBTU, based on a 30 day rolling average.
- 2.E.2. Sulfur Dioxide (SO₂) 0.07 lbs/mmBTU, based on a 30 day rolling average.
- 2.E.8. Opacity 15% (6-minute average) excluding periods of start-up and shut-down, except for one 6-minute period per hour of not more than 27 percent.
- 2.E.12. Sulfuric Acid Mist (H₂SO₄) KCPL shall submit a BACT analysis for sulfuric acid mist. Such analysis will include a proposed BACT limit no higher than 5.5x10E-3 lbs/mmBTU. The MDNR will conduct a BACT analysis and determine the final emissions limit.

B. Iatan Unit 2 – Modified Permit Limits

The Parties agree that the sections of the Iatan PSD Permit set forth below will be replaced with the following language:

- 3.E.1. Nitrogen Oxides (NOx) 0.07 lbs/mmBTU, based on a 30 day rolling average.
- 3.E.2. Sulfur Dioxide $(SO_2) 0.06$ lbs/mmBTU, based on a 30 day rolling average.
- 3.E.8. Opacity 15% (6-minute average) excluding periods of start-up and shut-down, except for one 6-minute period per hour of not more than 27 percent.
- 3.E.12. Sulfuric Acid Mist (H₂SO₄) KCPL shall submit a BACT analysis for sulfuric acid mist. Such analysis will include a proposed BACT limit no higher than 5.5x10E-3 lbs/mmBTU. The MDNR will conduct a BACT analysis and determine the final emissions limit.³
- 22 Delete.

³ Sierra Club and CCPC agree not to challenge MDNR's BACT determination for sulfuric acid mist, provided it is no higher than 5.5x10E-3 lbs/mmBTU.

BEFORE THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT

IN THE MATTER OF:

Case No.

Westar Energy, Inc. 818 S. Kansas Ave. P.O. Box 889 Topeka, KS 66612

Source Identification Numbers:

1730012

1550033

1490001

0450014

1730014

0990001

1770030

REGIONAL HAZE AGREEMENT

The parties hereto, the Kansas Department of Health and Environment (KDHE) and Westar Energy, Inc., having agreed that entry of this Regional Haze Agreement, hereinafter Agreement, is in the best interest of the parties and the public health and the environment, hereby represent and state as follows:

JURISDICTION

- 1. The Kansas Department of Health and Environment is a duly authorized agency of the State of Kansas created by an act of the legislature.
- 2. The Secretary of the Kansas Department of Health and Environment, hereinafter KDHE, has general jurisdiction over matters involving the environment and the public health and safety of the people of Kansas, K.S.A. 65-101 et seq., including general jurisdiction of matters involving air quality pursuant to the Kansas Air Quality Act, K.S.A. 65-3001 et seq.
- 3. Westar Energy, Inc., hereinafter Westar, is a Kansas corporation registered to do business in Kansas in accordance with Kansas laws and is subject to K.S.A. 65-3001 et seq. and the regulations adopted thereunder, and is the legal and rightful owner of the facilities listed in Appendix A.
- 4. Pursuant to K.S.A. 65-3005, the Secretary has authority and jurisdiction to issue this Agreement and to enforce the same. In any action by KDHE to enforce the terms of this Agreement, Westar Energy, Inc. agrees not to contest the authority or jurisdiction of the Secretary to issue this Agreement.

5. The terms of this Agreement shall be construed in accordance with the applicable laws of the state of Kansas and the United States.

STATEMENT OF PURPOSE

6. In entering into this Agreement, it is the mutual objective of KDHE and Westar to reduce contributions of emissions by the units listed in Appendix A to regional haze; and to establish a schedule by which Westar will achieve regulatory compliance and reductions in emissions of air pollutants by making modifications to or installing operating equipment, and/or air pollution control devices. This Agreement establishes enforceable emissions limits pursuant to KDHE's requirement to comply with the regional haze regulations (RHR) identified below in this Agreement which require the installation of Best Available Retrofit Technology (BART) to applicable emission sources. This Agreement is not the result of any enforcement action or alleged non-compliance with any law, regulation, permit or order and will enable Westar to timely comply with established EPA and KDHE deadlines for compliance with RHR and other unforeseen requirements.

PARTIES BOUND

- 7. This Agreement shall apply to and be binding upon the parties, their agents, successors, and assigns and upon all persons, contractors, and consultants acting under or for either the KDHE or Westar or both.
- 8. The parties agree to undertake all actions required of them by the terms and conditions of this Agreement.
- 9. Notwithstanding the terms of any contract, Westar is responsible for compliance with this Agreement and for insuring that its contractors and agents comply with this Agreement.
- 10. The activities conducted under this Agreement are subject to approval by KDHE. Westar shall make all reasonable efforts to provide all necessary information consistent with this Agreement requested by KDHE.

LIABILITY

11. Nothing in this Agreement shall be considered an admission of any fact or acknowledgment of any liability by any party, nor shall anything in this Agreement be considered an admission of any fact or acknowledgement of any violation of any law, regulation, permit or order but will enable Westar to timely comply with established EPA and KDHE deadlines for compliance with the RHR and other unforeseen requirements. Neither the State of Kansas, nor any agency thereof shall be held out as a party of any contract entered into by Westar in carrying out activities pursuant to this Agreement.

FINDINGS OF FACTS

- 12. In 1977, the U.S. Congress adopted §169 of the Clean Air Act (CAA) to protect visibility from impairment in areas of great scenic importance, which were designated as Class I Areas. Visibility impairment is also referred to as regional haze. The CAA specified that emission limitations be developed by the U.S. Environmental Protection Agency (EPA) to include pollutants that emanate from a variety of sources, including fossil-fuel fired electric generating power plants having a total generating capacity in excess of 750 megawatts. In 1980, EPA promulgated regulations at 40 FR 80084 to address regional haze that is reasonably attributable to a specific source or a small group of sources. States where Class I sources are located were to determine which existing stationary facilities should install BART to control pollutants which impair visibility. The CAA Amendments of 1990 added §169B with additional requirements for EPA research and rulemaking on regional haze.
- 13. In 1999, EPA issued amendments to 40 CFR Part 51 Subpart P (51.300 309) to further define which facilities were subject to the requirements of the regional haze program and included sources within the State of Kansas. These regulations and subsequent guidance documents require Kansas to achieve goals for improving visibility at Class I Areas. The goals are to be developed by states where Class I Areas are located and are to be implemented by states from which the pollutants emanate. This requires the development and implementation of long-term strategies for reducing emissions of air pollutants that cause visibility impairment. After a consultative process between the states, tribes and federal land managers of the Class I Areas, the goals and strategies must be incorporated into a Regional Haze State Implementation Plan (SIP).
- 14. On June 15, 2005 EPA amended the 1999 regional haze regulations and finalized guidelines to:
 - A. identify which BART-eligible facilities would be subject to BART,
 - B. establish presumptive emissions limits to implement BART at coal-fired electrical generating units (EGUs) greater than 750 megawatts,
 - C. determine the level of control technology required to implement BART at each source, and
 - D. require submittal of the Regional Haze SIP no later than December 17, 2007, for approval by the EPA.
- 15. The presumptive emission limits for coal-fired electric generating units established by 40 CFR Part 51, Appendix Y are as follows:
 - A. $SO_2 0.15$ lb/mmBtu
 - B. NO_x- 0.15 lb/mmBtu (tangential, sub-bituminous coal-fired)
- 16. Kansas has worked jointly with stakeholders, including Westar and other industry members, States, tribes, EPA and the Central Regional Air Planning Association (CENRAP) to provide for the placement of monitors, develop a shared emission

inventory, and conduct visibility modeling to identify strategies to reduce regional haze impacts on Class I Areas.

- 17. In September, 2002 KDHE requested information confirming dates of construction and operating information for emission units potentially subject to BART requirements from Westar. Westar responded appropriately by providing the data requested. KDHE concluded that the following emission units owned and operated by Westar were "BART-eligible:"
 - A. Gordon-Evans Energy Center, Unit 2 (1730012)
 - B. Hutchinson Energy Center, Unit 4 (1550033)
 - C. Jeffrey Energy Center, Units 1 & 2 (1490001)
 - D. Lawrence Energy Center, Unit 5 (0450014)
- 18. On August 3, 2005 KDHE requested the 24-hour 3-year maximum average emissions of SO₂, NOx and PM₁₀ from facilities determined to be BART-eligible in order to make an initial determination regarding these facilities becoming "subject to BART." Westar responded appropriately by providing the data requested.
- 19. KDHE used the data provided by Westar to conduct preliminary dispersion modeling of the BART-eligible units using the CALPUFF software. The modeling indicated that the following BART-eligible units would create a greater than 0.5 deciview impact for at least one day during the three-year period modeled at a Class I Area:
 - A. Gordon-Evans Energy Center, Unit 2 (1730012)
 - B. Hutchinson Energy Center, Unit 4 (1550033)
 - C. Jeffrey Energy Center, Units 1 & 2 (1490001)
 - D. Lawrence Energy Center, Unit 5 (0450014)
- 20. On June 13, 2006, Westar Energy, Inc. was informed by the KDHE that the BART-eligible units listed in paragraph 19 are subject to the requirements 40 CFR Part 51 Subpart P and must conduct a BART determination, also known as the statutory factor analysis for BART controls, pursuant to 40 CFR 51.302. Each of these units must either:
 - A. commit to installing emission controls and implementing operating procedures which result in achieving the applicable presumptive limits prescribed by 40 CFR Part 51, Appendix Y, or
 - B. complete a detailed, in-depth modeling effort which results in reconsideration of the "subject to BART" status of the facility by showing that a given unit would not create a greater than 0.5 deciview impact at a Class I Area on more than 2% of the days in a three year period.
- 21. Emissions from the following Westar facilities are not subject to the presumptive emission limits in 40 CFR Part 51 Appendix Y, but may contribute to regional haze:
 - A. Gordon-Evans (1730012)
 - B. Hutchinson (1550033)
 - C. Lawrence (0450014)

- D. Murray-Gill (1730014)
- E. Neosho (0990001)
- F. Tecumseh (1770030)
- 22. Westar elected to evaluate a control strategy that will achieve emission reductions equal to or greater than would be achieved with the application of presumptive emission limits at the units listed in paragraph 19 alone. The control strategy with the emission limits in Appendix A will achieve emission reductions greater than would be achieved with the application of presumptive emission limits at the units listed in paragraph 19.

AGREEMENT AND COMPLIANCE PLAN

- 23. The terms of this Agreement constitute an agreement pursuant to K.S.A. 65-3005 to satisfy future regulatory requirements imposed by the RHR and BART requirements. Nothing in this Agreement shall constitute or be construed as a release for any claim or cause of action for any New Source Review (NSR) or New Source Performance Standards (NSPS) liability under the Clean Air Act.
- 24. Westar agrees that emissions from the Jeffrey Energy Center (1490001) Units 1 and 2 will meet the presumptive limits established by 40 CFR 51 Appendix Y.
- 25. Unless otherwise specified in this Agreement, within five (5) years of EPA's approval of the Kansas Regional Haze State Implementation Plan, Westar agrees to install the emissions control and process equipment as expeditiously as possible in order to implement any necessary operating procedures and to achieve the air pollutant emission limits as specified for all of the units listed in Appendix A. The emission limits will become effective January 1, 2014.
 - A. For Jeffrey Energy Center Units 1, 2 and 3, as required by 40 CFR 51.308(e)(1)(iv), Westar agrees within three (3) years of EPA's approval of the Kansas Regional Haze State Implementation Plan to install any equipment and to implement any operating practices necessary to achieve the presumptive NOx and SO2 emission limits established under 40 CFR 51 Appendix Y.
 - B. For Gordon Evans Energy Center Unit 2, Westar will implement an alternative control strategy that will achieve greater visibility improvement than BART, as outlined in the BART Five Factor Analysis which was submitted to KDHE in August, 2007. Westar will demonstrate compliance with the alternative control strategy of switching from No. 6 fuel oil to natural gas by submitting annual certifications of compliance verifying that natural gas was the only fuel combusted at Gordon Evans Energy Center Unit 2 for the preceding year, except as follows:
 - C. When the natural gas supplier to Gordon Evans Energy Center Unit 2 takes emergency action which could result in an impact to electric system reliability, Westar may combust No. 6 fuel oil for the duration of that condition. Westar will diminish the existing supply of No. 6 fuel oil, and will replace any fuel oil used with a fuel oil containing 1% or less sulfur content. Westar may burn a

limited amount of fuel oil during non-emergencies to assure that the Gordon Evans Energy Center Unit 2 functions properly during emergencies.

- 26. Westar agrees to minimize excess emissions of air pollutants during startup, shutdown and malfunction situations by committing to the following actions:
 - A. During startup, pollution control equipment will be activated as soon as practical, within the manufacturer's recommendations or following best engineering practices in the industry;
 - B. During shutdown, pollution control equipment will be operated as long as practical, within the manufacturer's recommendations or following best engineering practices in the industry;
 - C. Good combustion and operating practices will be utilized to minimize excess air pollutant emissions during all startup, shutdown and malfunction conditions.
- 27. Westar agrees to perform compliance verification procedures and recordkeeping requirements in accordance with 40 CFR 51.308(e)(1)(v) and 40 CFR Part 51, Appendix Y.
- 28. The emission limits in this Agreement will be incorporated into any construction or operating permits issued to Westar for any and all facilities listed in Appendix A.
- 29. This Agreement shall be proposed by the State of Kansas for incorporation into the aforementioned Regional Haze State Implementation Plan.

CONCLUSIONS OF LAW

- 30. Westar Energy, Inc. is a person within the meaning of K.S.A. 65-3002(i).
- 31. K.S.A. 65-3003 provides that the responsibility for air quality conservation and control of air pollution is hereby placed with the Secretary of Health and Environment and that the Secretary shall administer this act through the Division of Environment. K.S.A 65-3005 provides that the Secretary shall have the power to: (c) Issue such orders, permits and approvals as may be necessary to effectuate the purposes of this act and enforce the same by all appropriate administrative and judicial proceedings and (p) Enter into contracts and agreements with other state agencies or subdivisions, municipalities, the federal government or its agencies or private entities as is necessary to accomplish the purposes of the Kansas Air Quality Act. K.S.A. 65-3011 provides that the Secretary may issue an order requiring action to implement a compliance plan.

BEST PROFESSIONAL JUDGEMENT

32. The requirements of this Agreement represent the best professional judgment of KDHE at this time based on the available information. If circumstances change significantly so that

data related to the commitments of this Agreement indicates an imminent threat of danger to the public health or safety or the environment or a significantly different threat other than the issues addressed herein, then KDHE reserves the right to modify dates or requirements herein as it deems reasonably necessary to comply with the regional haze regulations, provided that KDHE give Westar at least 90 days notice and an opportunity to submit a compliance schedule after the notice period. Westar further reserves the right to appeal any such modifications or additional requirements, in accordance with paragraph 34.

FORCE MAJEURE, EXCUSABLE DELAY, MODIFICATION

- 33. The following shall constitute the governing terms for force majeure, excusable delay and modification of the Agreement.
 - A. Westar shall perform the requirements under this Agreement within the time limits set forth herein unless the performance is prevented or delayed solely by events which constitute a force majeure. For purposes of this Agreement a force majeure is defined as any event beyond the control of Westar which could not be overcome by due diligence and which delays or prevents performance by a date required by this Agreement. Such events do not include increased costs of performance or changed economic circumstances. Any delay caused in whole or in part by action or inaction by municipal, state or federal regulatory authorities or a third party unrelated to Westar shall be considered a force majeure and shall not be deemed a violation of any obligations required by this Agreement.
 - B. Westar shall have the burden of proving all claims of force majeure. Failure to comply by reason of force majeure shall not be construed as a violation of this Agreement.
 - C. Westar shall notify KDHE in writing within ten (10) days after becoming aware of an event which Westar knew, or reasonably should have known, constituted force majeure. Such notice shall estimate the anticipated length of delay, its cause, measures to be taken to minimize the delay, and an estimated timetable for implementation of these measures. Failure to comply with the notice provision of this section may constitute a waiver of Westar's right to assert a force majeure claim and may be grounds for KDHE, at its sole discretion, to deny Westar an extension of time for performance.
 - D. Within ten (10) days of the receipt of written notice from Westar of a force majeure event, KDHE shall notify Westar of the extent to which modifications to this Agreement are necessary. In the event that KDHE and Westar cannot agree that a force majeure event has occurred, or if there is no agreement on the length of the extension, the dispute shall be resolved as set forth in a paragraph number 34 <u>Dispute Resolution</u>.

- E. Any modifications to any provision of this Agreement shall not alter the schedule for performance or completion of other tasks required by this Agreement unless specifically agreed to by the parties in writing and incorporated into this Agreement.
- F. This Agreement may be amended by mutual agreement of KDHE and Westar. Such amendments shall be in writing, shall have as their effective date the date on which they are signed by both parties and shall be incorporated into this Agreement.

DISPUTE RESOLUTION

- 34. The parties recognize that a dispute may arise between them regarding implementation of the action to be taken as herein set forth or other terms or provisions of this Agreement.
 - A. If such dispute arises, the parties will endeavor to settle it by informal negotiations between themselves. If the parties cannot resolve the issue informally within a reasonable period of time, either of the parties may notify the other in writing stating its position with regard to the dispute and the reasons therefore. A party receiving such a notice of dispute will respond in writing within ten (10) days stating its position. KDHE or Westar shall then have an additional ten (10) day period or such time as the parties agree to respond. If the parties are still unable to reach an agreement, the matter shall be referred to the KDHE Director of Environment, who shall decide the matter and provide a written statement of his decision which shall be incorporated into the Agreement.
 - B. This dispute resolution procedure shall not preclude any party from having direct recourse to court if otherwise available under the Kansas Judicial Review Act, K.S.A. 77-601 et. seq. or other applicable law.

OTHER CLAIMS AND PARTIES

35. Nothing in this Agreement shall constitute or be construed as a release for any claim, cause of action or demand in law or equity against any person, firm, partnership, or corporation not a signatory to this Agreement for any liability it may have arising out of or relating in any way to in this Agreement.

EFFECTIVE DATE, TERMINATION

- 36. This Agreement shall become effective when signed by the Secretary of the Department of Health and Environment.
- 37. This Agreement will be terminated at such time that it is superseded by a future agreement, regulation, or other enforceable document that contains equivalent or more

stringent emission limits. KDHE will provide written notice to Westar of said termination. Such notice shall not be unreasonably withheld.

AUTHORIZATION OF SIGNATORIES TO EXECUTE THE CONSENT ORDER AND BIND THE PARTIES

38. The parties hereto have affixed their signatures on the dates inserted below to acknowledge their agreement to this Agreement. The signatories to this Agreement certify that they are authorized to execute and legally bind the parties they represent to this Agreement.

Roderick L. Bremby

Secretary

Kansas Department of Health and Environment

Date

ce President, Generation

estar Energy, Inc.

APPENDIX A

	TERRET TO THE PROPERTY OF THE		App	endix	A - Westa	ır Region	Appendix A - Westar Regional Haze Agreement
Source ID	Facility	Unit#	Fuel	Start Date	Proposed SO ₂ rate ¹ (lb/MMBtu)	Proposed NO _x rate ¹ (lb/MMBtu)	Proposed controls
1730012 Gord	Gordon Evans Energy Center	<u>-</u>	NG/FO	1961			Natural gas only. ²
1730012 Gord	Gordon Evans Energy Center	2	NG/FO	1967			Natural gas only. ²
1550033 Hutc	Hutchinson Energy Center	4	NG/FO	1965			Natural gas only. ²
	THE TAXABLE PROPERTY OF THE PR						
1490001 Jeffr	Jeffrey Energy Center	}	Coal/FO	1978	0.15	0.15	0.15 Wet limestone scrubber rebuild, low NOx burner system and ESP rebuild.
1490001 Jeffr	Jeffrey Energy Center	2	Coal/FO	1980	0.15	0.15	Wet limestone scrubber rebuild, low NOx burner system and ESP rebuild.
1490001 Jeffr	Jeffrey Energy Center		Coal/FO	1983	0.15	0.15	0.15 Wet limestone scrubber rebuild, low NOx burner system and ESP rebuild.
0450014 Lawı	Lawrence Energy Center	ယ	Coal/NG	1954		0.18	Low NOx burner system and ESP rebuild.
0450014 Lawi	Lawrence Energy Center	4	Coal/NG	1960	0.15	0.18	Low NOx burner system, fabric filter baghouse and wet limestone scrubber rebuild. ³
0450014 Lawr	Lawrence Energy Center	UN	Coal/NG	1971	0.15	0.15	Low NOx burner system, fabric filter baghouse and wet limestone scrubber rebuild. ³
1730014 Muri	Murray Gill Energy Center	<u>,</u>	NG/FO	1952			Natural gas only. ²
1730014 Muri	Murray Gill Energy Center	2	NG/FO	1954			Natural gas only. ²
1730014 Muri	Murray Gill Energy Center	3	NG/FO	1956			Natural gas only, ²
1730014 Muri	Murray Gill Energy Center	4	NG/F0	1959			Natural gas only. ²
	THE PROPERTY OF THE PROPERTY O						
0990001 Neos	Neosho Energy Center	7	NG/FO	1954			Natural gas only. ²
1770030 Теси	Tecumseh Energy Center	7/9	Coal/NG	1957		0.18	0.18 Low NOx burner system and ESP rebuild.
1770030 Tecu	Tecumseh Energy Center	8/10	Coal/NG	1962		0.18	0.18 Low NOx burner system and ESP rebuild.
F0=J	FO = fuel oil; NG = natural gas;	ATTENDED OF THE STATE OF THE ST			THE PROPERTY OF THE PROPERTY O		
130-day rolling avera	30-day rolling average excluding periods of start-up, shutdown and malfunction	malfunctio	m,		777		
Fuel oil firing is allo	Fuel oil firing is allowed in emergencies and during periods of periodic testing of the fuel oil handling and combustion equipment	odic testing	of the fuel oi	handling	and combustion e	quipment.	
Existing wet limestone scrubber will be a All coal-fired units are tangenitial boilers	Existing wet limestone scrubber will be rebuilt as necessary to achieve compliance with the proposed SO2 limitation and to accommodate the installation of a fab	eve compli	ance with the	proposed	SO2 limitation an	d to accommodat	e the installation of a fabric filter baghouse.
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BEFORE THE KANSAS DEPARTMENT OF HEALTH AND ENVIRONMENT

IN THE MATTER OF: Westar Energy, Inc. 818 S. Kansas Ave., P.O. Box 889 Topeka, KS 6661

Source Identification Numbers: 1730012, 1550033, 1490001, 0450014, 1730014, 0990001, and 1770030

AMENDMENT TO REGIONAL HAZE AGREEMENT

The parties hereto, the Kansas Department of Health and Environment and Westar Energy, Inc., having agreed that entry of this Amendment to Regional Haze Agreement, hereinafter Amendment, is in the best interest of the parties and the public health and the environment, hereby represent and state as follows:

- 1. This is an amendment to the Regional Haze Agreement between the Kansas Department of Health and Environment (KDHE) and Westar Energy, Inc., in accordance with and pursuant to paragraph # 33.F of the original Agreement between the parties signed by KDHE on February 29, 2008.
- 2. Pursuant to K.S.A. 65-3007, Westar Energy, Inc. will have in place monitoring and data collection equipment capable of continuously recording the 30-day rolling average for NO_x and/or SO_2 emissions at all units subject to specific NO_x and or SO_2 emission limitations as listed in Appendix A of the Agreement no later than January 1, 2014, which is the effective date of the emission limitations in the Agreement.
- 3. Pursuant to K.S.A. 65-3007, no later than January 1, 2014 and continuously thereafter, the effective date of the emission limitations in the Agreement, Westar Energy, Inc. will monitor and maintain records of NO_x and/or SO_2 emissions at all units subject to specific NO_x and/or SO_2 emission limitations as listed in Appendix A of the Agreement. The records will be used to verify compliance with the emission limits contained in Appendix A of the Agreement. These records will include the data required pursuant to Paragraph 2 above and 40 CFR Part 75 for Continuous Emission Monitoring. Emissions in excess of the emission limits contained in Paragraphs 24 and 25 and Appendix A of the Agreement shall be reported to KDHE in accordance with existing excess emissions reporting requirements for the units under 40 CFR Parts 60 or 75. For the units subject to fuel oil limitations in Appendix A of the Agreement, the use of fuel oil will be reported to KDHE in accordance with reporting requirements under K.A.R. 28-19-512.
- 4. The terms of the Agreement are subject to the provisions of K.S.A. 65-3011. All other terms and provisions of the existing Agreement are affirmed.

AUTHORIZATION OF SIGNATORIES TO EXECUTE THE AGREEMENT AND BIND THE PARTIES

The parties hereto have affixed their signatures on the dates inserted below to acknowledge their agreement to this Agreement. The signatories to this Agreement certify that they are authorized to execute and legally bind the parties they represent to this Agreement.

Roderick L. Bremby

Secretary

Kansas Department of Health and Environment

)ate /

Date

neth C. Johnson

estar Energy, Inc.

e President, Generation